

MAKE-UP OF BELDING AREA SCHOOLS'
FOUNDATION ALLOWANCE PER STUDENT:

With the passage of Proposal A in 1994, the State of Michigan changed funding from local property taxes collected by the school to a per pupil foundation set by the state. The per pupil foundation is funded through the 6 mill state-wide education property tax, the 6% sales tax, other funding sources collected by the state, and the locally collected non-homestead millage. The state breaks down the foundation allowance per student into two basic pieces: the state portion and local non-homestead portion.

The State of Michigan does not fund/pay the full foundation allowance, which for Belding was \$7,631 for the 2017-2018 school year. Under Proposal A, residents of each local school district must approve 18 mills to be levied on non-homestead properties in order for the school district to receive the full foundation amount set forth under Proposal A. Belding Area Schools' foundation is made up of the following:

State Portion per Student	\$6,727.98
Non-Homestead Portion per Student	\$ 903.02
2017-2018 Foundation Allowance	\$ 7,631.00



Belding Area Schools
850 Hall Street
Belding, MI 48809

Vote Tuesday, August 7

Need more information:

Go to www.bas-k12.org or call 616.794.4700

Belding Area Schools

Non-Homestead Millage Proposal

Vote
Tuesday, August 7



Belding Area Schools

Non-Homestead Millage Renewal

The non-homestead millage is an 18 mill non-homestead property tax that was originally approved by voters in 1998. This millage allows Belding Area Schools to receive the full per student foundation allowance that the state authorizes under Proposal A. Our current foundation allowance is \$7,631. **There will be NO COST to homeowners to maintain the funding voters previously approved.**

Non-homestead properties include:

- Apartment Buildings
- Rental Homes
- Vacation Property
- Vacant Land
- Commercial Property
- Industrial Property

Why is this necessary?

The 18 mill non-homestead millage, which was approved by voters, will expire with the 2018 summer tax levy. This millage represents approximately \$1.65 million or 8.7% of the general fund revenues.

Frequently Asked Questions:

What does the proposal ask for?

The proposal asks for the authorization of 19.1181 mills for a period of six years. This would allow Belding Area Schools to levy the maximum 18 mills allowed by law on non-homestead property. The additional 1.1181 mill is available in the event of a future Headlee rollback. At no time is more than 18 mills allowed to be levied.

What is a Headlee rollback?

A Headlee rollback occurs because of Proposal A's impact on the Headlee law, which is triggered when a property is sold and re-valued at a level higher than the rate of inflation. As a result of a Headlee rollback, school districts collect less revenue than is allowable under Proposal A. The additional mill will allow Belding to levy the full 18 mills on non-homestead property if a Headlee rollback occurs.

What does non-homestead mean?

Non-homestead property includes industrial, commercial and all other property except for primary residences and other property exempted by law.

Is this a new tax?

NO. Belding Area Schools' non-homestead millage has been levied in the district since 1998 when the millage was originally passed. The vote on August 7, 2018, is for a six-year renewal of this millage.

What if the Belding Area Schools non-homestead millage proposal is not passed?

Belding Area Schools will lose approximately \$1.65 million from its budget on an annual basis. This would be more than an 8% reduction in the operating budget. This lost revenue **WILL NOT** be replaced by the state of Michigan; therefore, Belding Area Schools would have to reduce programs to reach a balanced budget.

What will this millage cost homeowners?

NOTHING! The millage only applies to businesses, industrial and commercial property or property that is not the owner's primary residence (the home in which you live). **THERE IS NO IMPACT ON HOMEOWNERS.**

MILLAGE PROPOSAL

- On August 7, 2018, Belding voters will be asked to approve a non-homestead millage for six more years (through June 30, 2024).
- Impact on homeowners: The millage does NOT apply to homeowners.
- This millage accounts for 8.7% of the school district's revenue.
- A YES vote will allow the district to receive its full foundation allowance for another five years.
- A NO vote will result in a loss of approximately \$1,641,382 of funding for the district annually.
- On Tuesday, August 7, 2018, the ballot will ask voters to approve a 19.1181 mill authorization of which no more than 18.0000 mills can be levied.

If you have questions or would like additional information, please feel free to contact the Board Office at 616.794.4700 or visit our website at www.bas-k12.org.

